[29th November 1928

Application from the Abbas Magnesite Company, Salem, for State aid.

*814 Q.—Mr. C. V. VENKATARAMANA AYYANGAR: Will the hon. the Minister for Development be pleased to state—

(*a*) whether Messrs. Abbas Hussain and J. Kader Badsha of the Abbas Magnesite Company, Salem, applied for State aid under the Madras Act V of 1923 and, if so, what was the nature of the industry for which aid was asked and the nature of such aid;

(*b*) whether the Board of Industries enquired into the matter and made any recommendation to the Government and, if so, what was the nature of the recommendation and, if any loan is to be granted, the nature of the security;

(*c*) whether the Director of Industries has made any report on the matter to the Government and, if so, what is the substance of the report;

(*d*) whether the Government have passed final orders and, if so, when and to what effect and for what reasons;

(*e*) under what section and clause of the Act the application and the recommendation thereon, if any, have been made;

(*f*) in what area the new company is expected to work and how far that area is granite area in which the Magnesite Syndicate, Limited, of Suramangalam is working;

(*g*) whether the question of the competition between the two companies has been considered and whether any remedy has been suggested;

(*h*) whether the Magnesite Syndicate, Limited, have been working for a long period and, if so, for what period and what dividends have been paid by the same and whether there have been any complaints against that company; and

(*i*) whether any safeguards have been suggested for avoiding undue competition between the two companies and the possibility of the new company incurring a great loss?

A.—(*a*) (i) Yes.

(ii) For the purpose of developing the production of calcined magnesite, of collecting carbonic acid gas given off in the process and, at a later stage, of manufacture of certain magnesite products.

(iii) Guarantee of an overdraft to the extent of six lakhs of rupees.

(*b*) The Board by a majority recommended the guarantee subject to a further investigation as to the adequacy of the security. The security offered by the applicant is the landed property known as the Chettichavadi jaghir in the Salem taluk which is stated to contain deposits of magnesite.

(*c*) & (*d*) The Director's report is under consideration and so cannot be published.

(*e*) Under section 5 (1) (*a*) and (*b*) of the Act.

(*f*) The new company proposes to work in the Chettichavadi village in the Salem taluk. The Government have no information on the point raised in the latter part of the clause.

(*g*) & (*i*) As stated in answer to clauses (*c*) and (*d*) the application is still under consideration and the possibility of undue competition will be examined.

(*h*) The Government are not in possession of the details asked for.